

§ 19.828

§ 19.828 Removals from the premises.

No person shall remove from the vinegar plant premises vinegar or other fluid or material daily containing more than 2% alcohol by volume.

RECORDS

§ 19.829 Daily records.

Each manufacturer of vinegar by the vaporizing process shall keep accurate and complete daily records of production operations that include—

- (a) The kind and quantity of fermenting or distilling materials received on the premises;
- (b) The kind and quantity of materials fermented or mashed;
- (c) The proof gallons of distilled spirits produced;
- (d) The proof gallons of distilled spirits used in the manufacture of vinegar;
- (e) The wine gallons of vinegar produced; and
- (f) The wine gallons of vinegar removed from the premises.

Separate government records need not be kept as long as commercial records contain all the required information.

ADMINISTRATIVE AND MISCELLANEOUS

§ 19.830 Application of distilled spirits tax.

The internal revenue tax must be paid on any distilled spirits produced in or removed from the premises of a vinegar plant in violation of law or this subpart.

Subpart Y—Distilled Spirits For Fuel Use

§ 19.901 Scope of subpart.

This subpart implements 26 U.S.C. 5181, which authorizes the establishment of distilled spirits plants solely for producing, processing and storing, and using or distributing distilled spirits to be used exclusively for fuel use. This subpart relates to the qualification and operation of such distilled spirits plants. Distilled spirits plants established under this subpart are designated as alcohol fuel plants.

(Sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

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§ 19.902 Waiver for alcohol fuel plants.

All provisions of subparts A through X of this part and all provisions of 26 U.S.C. Chapter 51 are hereby waived except:

- (a) Any provision specifically incorporated by reference in this subpart and the cited authority for that provision;
- (b) Any provision requiring the payment of tax;
- (c) Any provisions dealing with penalty, seizure, or forfeiture which is applicable to distilled spirits; and
- (d) 26 U.S.C. 5181.

(Sec. 232, Pub. L. 93-224, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.903 Alternate methods or procedures.

The proprietor, on specific approval by the appropriate TTB officer as provided in this paragraph, may use an alternate method or procedure in lieu of a method or procedure specifically prescribed in this subpart or subparts A through X of this part where the provisions of those subparts have been incorporated by reference in this subpart. The appropriate TTB officer may approve an alternate method or procedure, subject to stated conditions, when he finds that—

- (a) Good cause has been shown for the use of the alternate method or procedure;
- (b) The alternate method or procedure is within the purpose of, and consistent with the effect intended by, the specifically prescribed method or procedure, and affords equivalent security to the revenue; and
- (c) The alternate method or procedure will not be contrary to any applicable provision of law, and will not result in an increase in cost to the Government or hinder the effective administration of this part. No alternate method or procedure relating to the giving of any bond, to the assessment, payment or collection of tax, will be authorized under this section. Where the proprietor desires to employ an alternate method or procedure, he shall submit a written application to do so to the appropriate TTB officer. The application will specifically describe the

proposed alternate method or procedure, and will set forth the reasons therefor. The proprietor shall not employ any alternate method or procedure until the application has been approved. The proprietor shall, during the period of authorization of an alternate method or procedure, comply with the terms of the approved application. Authorization for any alternate method or procedure may be withdrawn whenever in the judgment of the appropriate TTB officer the revenue is jeopardized or the effective administration of this part is hindered by the continuation of such authorization. As used in this section, alternate methods or procedures include alternate construction or equipment. The proprietor shall retain, as part of the records available for examination by appropriate TTB officer, any application approved by the appropriate TTB officer under the provisions of this section.

(Sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.904 Emergency variations from requirements.

The appropriate TTB officer may approve construction, equipment, and methods of operation other than as specified in this part, where he finds that an emergency exists and the proposed variations from the specified requirements are necessary, and the proposed variations—

- (a) Will afford the security and protection to the revenue intended by the prescribed specifications;
- (b) Will not hinder the effective administration of this part; and
- (c) Will not be contrary to any applicable provisions of law. Variations from requirements granted under this section are conditioned on compliance with the procedures, conditions, and limitations with respect thereto set forth in the approval of the application. Failure to comply in good faith with such procedures, conditions, and limitations will automatically terminate the authority for such variations and the proprietor thereupon shall fully comply with the prescribed requirements of regulations from which the variations were authorized. Authority for any variation may be withdrawn whenever in the judgment of the

appropriate TTB officer the revenue is jeopardized or the effective administration of this part is hindered by the continuation of such variation. Where the proprietor desires to employ such variation, he shall submit a written application to do so to the appropriate TTB officer. The application will describe the proposed variations and set forth the reasons therefor. Variations will not be employed until the application has been approved, except when the emergency requires immediate action to correct a situation that is threatening to life or property. Such corrective action may then be taken concurrent with the filing of the application and notification of the appropriate TTB officer, via telephone. The proprietor shall retain, as part of the records available for examination by appropriate TTB officers, any application approved by the appropriate TTB officer under the provisions of this section.

(Sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.905 Taxes.

Distilled spirits may be withdrawn free of tax from the premises of an alcohol fuel plant exclusively for fuel use in accordance with this subpart. Payment of tax will be required in the case of diversion of spirits to beverage use or other unauthorized dispositions. The provisions of subpart C of this part are applicable to distilled spirits for fuel use as follows:

- (a) Imposition of tax liability (§§ 19.21 through 19.25);
- (b) Assessment of tax (§§ 19.31 and 19.32); and
- (c) Claims for tax (§§ 19.41 and 19.44).

(Sec. 201, Pub. L. 85-859, 72 Stat. 1314, as amended (26 U.S.C. 5001); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

[T.D. ATF-207, 50 FR 23682, June 5, 1985]

§ 19.906 Special (occupational) tax.

- (a) *General rule.* A proprietor of an alcohol fuel plant established under this subpart shall be subject to a special (occupational) tax as prescribed in subpart Ca of this part, and shall hold a separate special tax stamp to cover the alcohol fuel operations except during the suspension period described in